

HOUSE BILL 1964

By Lundberg

AN ACT to amend Tennessee Code Annotated, Section
61-1-306, relative to partnerships.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 61-1-306, is amended by deleting the section in its entirety and substituting instead the following:

61-1-306.

(a) Except as otherwise provided in subsections (b) through (g), all partners are liable jointly and severally for all obligations of the partnership unless otherwise agreed by the claimant or provided by law.

(b) A person admitted as a partner into an existing partnership is not personally liable for any partnership obligation incurred before the person's admission as a partner.

(c) An obligation of a partnership incurred while the partnership is a registered limited liability partnership, whether arising in contract, tort, or otherwise, is solely the obligation of the partnership. A partner is not personally liable, directly or indirectly, by way of contribution or otherwise, for such an obligation solely by reason of being or acting as a partner. This subsection applies notwithstanding anything inconsistent in the partnership agreement that existed immediately before the vote required to become a registered limited liability partnership under § 61-1-1001(b).

(d) Subsection (c) does not affect the liability of a partner in a registered limited liability partnership for the partner's own omissions, negligence, wrongful acts, misconduct or malpractice, or that of any person under the partner's direct supervision and control.

(e) A partner in a registered limited liability partnership is not a proper party to a proceeding by or against a registered limited liability partnership, the object of which is to

recover damages or enforce the obligations arising out of the acts, omissions, malpractice or misconduct of the type described in subsection (c), unless the partner is personally liable under subsection (d).

(f) Unless otherwise agreed, a partner who receives a distribution from a registered limited liability partnership or a partner who votes for or assents to the distribution shall have no liability for the distribution under this section or any other applicable law for the amount of the distribution after the expiration of three (3) years from the date of the distribution.

(g) Notwithstanding any other provision of this chapter to the contrary, each person, partner, or employee required to collect, truthfully account for, and pay over to the department of revenue any tax collected from the customers of a registered limited liability partnership shall be personally liable for such taxes in the same manner as responsible persons of a corporation under the same provisions of § 67-1-1443.

SECTION 2. This act shall take effect July 1, 2014, the public welfare requiring it.